GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Energy, I&I Department – Development of International Convention Centre at Visakhapatnam – Allotment of total extent of land Ac.13.83 including additional land of Ac.1.31 belonging to APIIC and Ac.3.4 belonging to CMR Group to M/s LuLu International Shopping Mall Pvt. Ltd. – Orders – Issued.

ENERGY, INFRASTRUCTURE AND INVESTMENT (AIRPORTS) DEPARTMENT

G.O.MS.No. 5 Dated: 16-02-2018

Read the following:

1) G.O.Ms.No.31, Energy, I&IDept., dt.20.2.2017
2) G.O.Ms.No.116, Energy, I&IDept., dt.25.7.2017
3) From the District Collector, Letter Rc.No.2876/2016/E2, Dt.6.12.2017.

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O R D E R

Government of Andhra Pradesh is developing an International Convention Centre at Visakhapatnam City with exhibition halls, meeting halls, parking places, 5-Star hotel, retail mall, etc. on a Public Private Partnership in a site of around Ac.9.12 Cts in Sy.No.1011/1A1 A2 of Waltair Ward. Infrastructure Corporation of Andhra Pradesh (INCAP) has invited tenders for selection of Developer. After the bid process, Government in the reference 2nd read above, have accorded approval for issue of Letter of Intent (LoI) by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) to the selected bidder, M/s LuLu International Shopping Mall Pvt. Ltd.

2. In order to provide approach from RK Beach front, which would enable the Project to come up on a beach front and add value to the Project, Government in the reference 1st read above, has constituted Negotiation Committee with District Collector, Visakhapatnam as Chairman and other members concerned to negotiate with the private land owner, M/s CMR Group who own around Ac.3.40 cts of land on the beach front for exchange of land between CMR Group and Government.

3. The Vice Chairman & Managing Director, APIIC Vijayawada has informed that the selected bidder ie. M/s LuLu International Shopping Mall Pvt. Ltd., has submitted proposal for allotment of additional lands of 1.31 acres belonging to APIIC and 3.4 acres belonging to CMR Group so that a larger capacity of Convention Center with more rooms of hotel and more constructed area of shopping mall can be taken up in the total land of 13.83 acres.

4. As per the Request for Proposal (RFP) issued by INCAP there is a specific provision that if the Lessee request the Authority to provide additional land for the Project, the Authority may provide to the Lessee as per availability.

5. The Negotiation Committee constituted with District Collector, Visakhapatnam as Chairman was asked to hold discussions with the Group and submit proposals to the Government for providing land of CMR Group to APIIC who in turn will lease to the Developer on the terms and conditions as per Request for Proposal (RFP).

6. The District Collector, Visakhapatnam, in the letter 3rd read above, after conducting detailed negotiations with CMR Group has requested orders on the following:

(a) The request of the CMR Group for allotment of alternate land in 1:1.5 ratio of the SR value may be considered for the following reasons:

(i) As per a preliminary notification under Section 11 (1) of the Right to fair compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 has already been issued and the market value is approved and fixed at Rs.50,000 per sq. yard.

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(ii) The alternate land parcels shown to the Group are very small in size and at different places in city when compared to their land parcel "Viswa Priya Function Hall" which is a contiguous bit facing the beach front which is much more valuable land.

(iii) Loss of revenue on the running business of the function hall in existing location is valued at around Rs.8 crores for 4 years.

(iv) There is a huge difference between Sub Registrar value and the prevailing market value as furnished by the Sub Registrar.

(v) Location advantage of CMR group land in terms of beach front in comparison to the proposed government land for exchange.

(b) Request of the Group to consider on par with 150 ft. road by allowing 25% set back relaxation to all sides and allow for extra floors as additional benefits.

(c) Conversion of land proposed for allotment under land exchange to mixed land use zone and carrying necessary amendments to master plan by VUDA.

(d) Exemption from payment of stamp duty under Section 9(1)(a) of Stamp Act and for registration fee under Section 78 of Registration Act.

(e) VUDA, GVMC and R&B to ensure clear transfer of title without any encumbrances/cases to CMR Group duly cancelling allotment orders/lease proposals, if any.

(f) There may not be any additional tax liability to the Government or the Group as land is proposed to be taken under compulsory land acquisition with consent. If any tax liability arises on account of Income tax/Capital gain tax, the same shall be borne by the State Government.

(g) The Land owned by CMR Group covered in T.S.No.1011/P [Ac.3.40 Cts] to be allotted to APIIC in lieu of CMR land, the 6 identified land parcels for an extent of Ac.4.85 Cts to be exchanged are detailed below:

Parcel	**Sy.No**	**Extent in Acres**	**Sq. Yards**
Besides HSBC Waltair Ward	83/1	**1.36**	6582
Chinnawaltair	21/1P	**0.91**	4404
Kirlampudi Layout, Waltair Ward	983	**0.33**	1597
MVP Double Road, Chinnawaltair	26P, 30P	**1.49**	7212
Resapuvanipalem	6P	**0.65**	3146
Lawsons Bay Colony, Chinnawaltair	47	**0.11**	532
TOTAL:		**4.85**	**23473**

7. The Vice Chairman & Managing Director, APIIC, has asked for acquisition of additional 3 parcels of private land which have been identified by APIIC.

8. Government, after careful examination of the proposal of the District Collector, Visakhapatnam and remarks offered by line departments hereby order as follows:

(a) To allot total land to an extent of Ac.13.83 to M/s Lulu International Shopping Mall Pvt. Ltd, on lease basis in relaxation of the maximum extent of land to be allotted under Land Lease Policy for Tourism projects, 2016 for MICE.

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(b) To allot 6 pieces of land with a total extent of Ac.4.85 to CMR Group as per their request for exchange of Ac.3.4 of beach front land belonging to the Group.

(c) Exemption from payment of Stamp duty under Section 9(1)(a) of Indian Stamp Act, 1899 and Registration fee under Section 78 of Registration Act.

(d) To allow 25% set back relaxation to all sides in the proposed 6 pieces of land and allowing for extra floors as per the request of the CMR Group.

(e) Conversion of the land proposed for allotment under land exchange to mixed land use zone by carrying out necessary amendments to master plan by VUDA/MA&UD Departments.

(f) The Revenue Department to ensure that there is no additional tax liability for the CMR Group and Government and Government to bear the tax liability in case it arises.

(g) The land of CMR Group to be registered in favour of APIIC which in turn will lease this additional land to the Developer on the same terms and conditions of original agreement by collecting additional rentals.

(h) VUDA, GVMC and R&B to hand over their lands to the Dist. Collector, Visakhapatnam and after the award is passed, the Dist. Collector, Visakhapatnam to register the lands in favour of CMR Group. All the Departments concerned to ensure that land being handed over is free from any litigation, legal disputes and encumbrances.

(i) Regarding acquisition of additional three (3) parcels of land, the Dist. Collector, Visakhapatnam to identify any Government land available in Visakhapatnam city for land to land transfer or else for land acquisition. Departments concerned to circulate separate note on receipt of report from the Dist. Collector, Visakhapatnam.

(j) Additional lease rentals as per the prevailing basic value of the land shall be collected from the Developer since SR value has been revised recently. This is in order to protect the financial interest of the Government.

(k) The minimum development and minimum service obligations have to be revised suitably by the Developer and APIIC shall ensure this since additional valuable government land is now being given to the Developer and the same shall ensure that additional benefits to the Government and public at large accrue to the State in terms of more capacity for convention center, more place for exhibition, more shopping area, more keys in the hotel. This would ensure that additional economic activity takes place bringing in additional revenue to the Government and also additional employment.

(l) The performance security to be collected from the bidder at 2.5% of the estimated Project cost. Since the Project cost is increased to Rs.1500 crores, the additional performance security shall be collected by the Authority in order to protect the financial interest of APIIC.

(m) The Project Development fee to be paid at 0.25% of the Project Cost to INCAP also to be enhanced against the revised cost of the Project and the same is to be paid by the lessee to INCAP.

9. All the departments concerned shall take necessary action as per the decisions above within 15 days on the issues with which they are concerned.

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10. The Chairman & Managing Director, INCAP, the Vice Chairman & Managing Director, APIIC, the District Collector, Visakhapatnam and the departments concerned are requested to take necessary further action in the matter.

11. This orders issues with the concurrence of Finance Department vide their U.O.No.Fin.29024/13/2017-SO (PPPs&CRDA)-Fin), dt.01.02.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Vice-chairman & Managing Director, APIIC., Vijayawada.
The Chairman & Managing Director, INCAP, Vijayawada.
The Dist. Collector, Visakhapatnam,
The Vice-Chairman, Visakhapatnam Urban Development Authority.
The Commissioner, Greater Visakhapatnam Municipal Corporation.
The Revenue (Land Acquisition) Department.
The Revenue (Stamps & Registration) Department.
The Municipal Administration & Urban Development Department.
The Transport, Roads and Buildings Department.
The Industries and Commerce Department.
The Youth Advancement Tourism & Cultrure (Tourism) Department.
Copy to:
The Law (H) Department.
P.S., to Prl. Secretary to C.M.
P.S., to Prl. Secretary, E,I&I Department.
The Finance Department.
The G.A.(Cabinet) Department.
Sf/Sc.

//Forwarded :: By Order//

SECTION OFFICER